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Adoption of the Monterrey Consensus

Letter dated 22 March 2002 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to inform you that for our country, the International Conference on Financing for Development means the realization of an international effort to overcome poverty and underdevelopment through a holistic vision, in order to take advantage of all possible scenarios and potential to meet the challenge posed by that task.

For the purposes of contributing to the actual achievement of the shared responsibilities established in the Millennium Summit, the delegation of Venezuela has prepared a paper entitled "Proposals submitted by Venezuela — Post-Monterrey Plan" (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the Conference and a contribution by Venezuela to the work carried out by the international community as a whole.

(*Signed*) Milos **Alcalay**
Ambassador
Permanent Representative

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Annex to the letter dated 22 March 2002 from the Permanent Representative of Venezuela to the United Nations addressed to the Secretary-General

[Original: English and Spanish]

International Conference on Financing for Development Monterrey, 18-22 March 2002

Proposals submitted by Venezuela – Post-Monterrey Plan

INTRODUCTION

For Venezuela, and for the developing countries at large, this Conference means the realization of an international effort to overcome poverty and underdevelopment through a holistic vision, in order to take advantage of all possible scenarios and potentials to meet the challenge posed by that task.

We assume that the principle of shared responsibility in the financing for human-centered development is one of the main ways to ensure that resource mobilization is oriented to a common action at the national and international levels.

Venezuela hopes that these efforts can make an effective contribution to the fulfillment of the shared responsibilities established in the Millennium Summit and is committed to the task.

POSITION OF VENEZUELA ON THE MATTERS CONSIDERED BY THE CONFERENCE

PARTNERSHIP IN FINANCING FOR DEVELOPMENT

To ensure development sustainability, it is necessary to provide sufficient and sustained financing.

Assistance from international organizations to developing countries is needed to address structural and situational problems and their expertise is also important to implement productive and social programmes.

In the context of trade relations, we must ensure special and differential treatment of countries, better access to markets, and the suppression of tariff barriers,

as well as finding global solutions to the debt problem that take into account the concerns of middle-income developing countries.

In this respect, discussions show that there is not one unique external solution to address financing for development problems. Domestic efforts are essential to establish the basic conditions that will enable countries to expand, strengthen governance and direct their efforts to productive investment, in order to ensure high and sustained rates of economic growth.

Furthermore, the establishment of strategic partnerships must be promoted as an effective tool to increase the benefits from financial and technical assistance and implement economic and social development programmes and projects.

COHERENCE IN DEVELOPMENT

The principle of shared responsibility for "human-centred" development must be emphasized in all actions related to financing for development, so that resource mobilization leads to a common effort at the national and international levels.

We must also promote a kind of development that takes into account the ethnic, cultural and social diversity of every region in the world. Market segmentation, the role of the State, community participation, and the wisdom of ancestral peoples all require specific mechanisms to promote sustainable and equitable development.

It is necessary to set in a coherent manner multiple objectives based on the improvement of the Human Development Index, through the use of external resources, technical cooperation and technology transfer, and in line with selective policies adopted as part of national plans.

It is also necessary to encourage the establishment of Regional Funds and Corporations for the financing for development (FLAR, CAF, IMF, IBD)[1] and to enhance their interaction by means of bilateral meetings.

It is essential to find development models based in the balance between the State, the market and the society, since the State must be a tool for social

[1] **FLAR**: Latin American Reserve Fund; **CAF**: Andean Development Corporation; **IMF**: International Monetary Fund; **IBD**: Inter-American Development Bank.

development. We have to open new opportunities for the effective involvement of people in domestic markets, as a means to improve their living standards.

In this context, priority must be given to women's participation, as they play a promoting role in decision-making, in connection with their personal and family development and as food providers and labour force for poverty eradication.

The "Post-Monterrey Plan" must be based on the premises agreed during the discussions held at the Conference and generate a participative process where different social and economic agents play the main roles.

THE AGRICULTURAL SECTOR AS AN ESSENTIAL ELEMENT FOR HUMAN DEVELOPMENT

Agriculture is an essential factor for the integral development of world economy and people. Therefore, the infrastructure of social services and production must be strengthened to enhance the agricultural sector capacity for productive management. Moreover, the ability of the agents of change in rural areas must be also strengthened through timely investments that improve basic services and increase productivity, so as to promote a sustainable agricultural system as a strategic basis for holistic rural development.

In this respect, it is necessary to encourage fund transfers for the financing of agricultural development through programmes supported by international financial institutions, which must exert flexibility when imposing conditions and eligibility requisites for loans. The valuable lessons on multilateral financial operations learned in developing countries will enable us to adopt financing plans that favor the position of those countries with lesser access to resources.

Therefore, it is essential to enhance non-reimbursable technical cooperation for programme implementation, so as to increase technology transfer and technical agricultural capacity-building.

GENERAL ACTIONS

1. We insist in to increase the representation, visibility and decision-making capacity of developing countries in multilateral forums.

2. We shall promote the provision of more financial resources in order to strengthen human resources as a leveraging tool for development.

3. We shall encourage to ensure higher coherence among United Nations agencies, the World Trade Organization (WTO), and international financial institutions in development areas, so as to increase the level of technical assistance for capacity-building.

4. We shall encourage the establishment of mechanisms to enhance coherence among international financial institutions and improve internal management in developing countries, with the aim of standardizing technical conditions for the provision of resources for project funding.

5. We support the right of States to preserve their regulatory capacity of foreign investment leading to technology transfer and the adoption and implementation of development programmes.

6. We encourage to take steps to reduce agricultural subsidies in developed countries, so as to improve the ability of developing countries to compete in the international agricultural market.

7. We shall fight to ensure the eradication of corruption with a view to enhancing effectiveness in the implementation of development programmes and projects.

8. We shall encourage the reduction of defense expenditure and increase the provision of resources for social development.

9. We shall encourage to increase the flexibility of debt conditions imposed on heavily indebted poor countries and ease the conditions of loans to developing countries.

10. We shall encourage the increasing of the acquisition and generation of knowledge and technology in developing countries.

11. We hope be increased the level of assistance provided by international financial institutions to developing countries, in order to address their structural problems.

PROPOSALS FOR THE FUTURE

1. To establish an action plan to realize the commitments made at the International Conference on Financing for Development, as well as a follow-up committee to ensure that they are fulfilled. To promote that the International Trade and Financial Organizations evaluate their goals toward guaranteeing an effective participation in the unite efforts of the international community established in the Monterrey Consensus.

2. To establish an International Humanitarian Fund to be financed from the reduction of a 10% of external debt of developing countries, from military expenditures, as well as from seizure of wealth created to through drug traffics, taxes on speculative transactions and capital outflows.

3. To establish a permanent forum for consultation and discussion among developing countries (G-24) and developed countries (G-8) on international financial and monetary concerns.

4. To establish a mechanism for consultation among creditors, debtors and multilateral bodies, to discuss debt problems in depth and focus on efforts to overcome them.

5. We encourage the establishment of strategic partnerships among Governments, the civil society and international organizations, in the common task of seeking innovative and effective solutions for the eradication of poverty and sustained economic and social growth.